

## COMMITTEE REPORT

YES:	14
NO:	9

### MR. SPEAKER:

*Your Committee on* Ways and Means, to which was referred House Bill 1723, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

---

Delete the title and insert the following:  
A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Delete everything after the enacting clause and insert the following:

**1 SECTION 1. [EFFECTIVE JULY 1, 2009]**

**2**

**3 (a) The following definitions apply throughout this act:**

**4 (1) "Augmentation allowed" means the governor and the budget agency are**  
**5 authorized to add to an appropriation in this act from revenues accruing to the**  
**6 fund from which the appropriation was made.**

**7 (2) "Other operating expense" includes payments for "services other than personal",**  
**8 "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds,**  
**9 and awards", "in-state travel", "out-of-state travel", and "equipment".**

**10 (3) "Personal services" includes payments for salaries and wages to officers and**  
**11 employees of the state (either regular or temporary), payments for compensation**  
**12 awards, and the employer's share of Social Security, health insurance, life insurance,**  
**12 dental insurance, vision insurance, deferred compensation - state match, leave**  
**14 conversion, disability, and retirement fund contributions.**

**14 (4) "Total operating expense" includes payments for both "personal services" and**  
**16 "other operating expense".**

**SECTION 2. [EFFECTIVE JULY 1, 2009]**

For the conduct of state government, its offices, funds, boards, commissions, departments, societies, associations, services, agencies, and undertakings, and for other appropriations not otherwise provided by statute, the sums in this SECTION are appropriated for education for the period designated from the state general fund of the state of Indiana or other specifically designated funds.

In this SECTION, whenever there is no specific fund or account designated, the appropriation is from the state general fund.

**EDUCATION**

**A. ELEMENTARY AND SECONDARY EDUCATION**

**FOR THE DEPARTMENT OF EDUCATION  
STATE BOARD OF EDUCATION**

Total Operating Expense	50,000
-------------------------	--------

The foregoing appropriation for the Indiana state board of education is for state board administrative expenses.

**SUPERINTENDENT'S OFFICE**

Personal Services	1,201,402
Other Operating Expense	1,473,322

**RESEARCH AND DEVELOPMENT PROGRAMS**

Personal Services	86,959
Other Operating Expense	300,390

Of the foregoing appropriations for Research and Development Programs, up to \$140,000 is dedicated for the Center for Evaluation and Education Policy.

**RILEY HOSPITAL**

Total Operating Expense	27,900
-------------------------	--------

**BEST BUDDIES**

Total Operating Expense	250,000
-------------------------	---------

**ADMINISTRATION AND FINANCIAL MANAGEMENT**

Personal Services	2,144,538
Other Operating Expense	420,270

**MOTORCYCLE OPERATOR SAFETY EDUCATION FUND**

**Safety Education Fund (IC 20-30-13-11)**

Personal Services	132,397
Other Operating Expense	892,177

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-30-13-11.

**SCHOOL TRAFFIC SAFETY**

1	<b>Motor Vehicle Highway Account (IC 8-14-1)</b>	
2	<b>Personal Services</b>	<b>242,989</b>
3	<b>Other Operating Expense</b>	<b>30,405</b>
4	<b>Augmentation allowed.</b>	
5	<b>EDUCATION LICENSE PLATE FEES</b>	
6	<b>Education License Plate Fees Fund (IC 9-18-31)</b>	
7	<b>Total Operating Expense</b>	<b>141,200</b>
8	<b>CENTER FOR SCHOOL ASSESSMENT</b>	
9	<b>Personal Services</b>	<b>311,004</b>
10	<b>Other Operating Expense</b>	<b>706,025</b>
11	<b>ACCREDITATION SYSTEM</b>	
12	<b>Personal Services</b>	<b>471,732</b>
13	<b>Other Operating Expense</b>	<b>489,547</b>
14	<b>SPECIAL EDUCATION (S-5)</b>	
15	<b>Total Operating Expense</b>	<b>24,750,000</b>
16		
17	<b>The foregoing appropriations for special education are made under IC 20-35-6-2.</b>	
18		
19	<b>CENTER FOR COMMUNITY RELATIONS AND SPECIAL POPULATIONS</b>	
20	<b>Personal Services</b>	<b>234,580</b>
21	<b>Other Operating Expense</b>	<b>78,988</b>
22	<b>SPECIAL EDUCATION EXCISE</b>	
23	<b>Alcoholic Beverage Excise Tax Funds (IC 20-35-4-4)</b>	
24	<b>Personal Services</b>	<b>344,351</b>
25	<b>Augmentation allowed.</b>	
26	<b>CAREER AND TECHNICAL EDUCATION</b>	
27	<b>Personal Services</b>	<b>1,319,338</b>
28	<b>Other Operating Expense</b>	<b>40,532</b>
29	<b>ADVANCED PLACEMENT PROGRAM</b>	
30	<b>Other Operating Expense</b>	<b>953,284</b>
31		
32	<b>The above appropriations for the Advanced Placement Program are to provide funding</b>	
33	<b>for students of accredited public and nonpublic schools.</b>	
34		
35	<b>PSAT PROGRAM</b>	
36	<b>Other Operating Expense</b>	<b>717,449</b>
37		
38	<b>The above appropriations for the PSAT program are to provide funding for students</b>	
39	<b>of accredited public and nonpublic schools.</b>	
40		
41	<b>CENTER FOR SCHOOL IMPROVEMENT AND PERFORMANCE</b>	
42	<b>Personal Services</b>	<b>1,701,447</b>
43	<b>Other Operating Expense</b>	<b>978,089</b>
44	<b>PRINCIPAL LEADERSHIP ACADEMY</b>	
45	<b>Personal Services</b>	<b>320,632</b>
46	<b>Other Operating Expense</b>	<b>142,204</b>
47	<b>EDUCATION SERVICE CENTERS</b>	
48	<b>Total Operating Expense</b>	<b>2,321,287</b>
49		

No appropriation made for an education service center shall be distributed to the administering school corporation of the center unless each participating school corporation of the center contracts to pay to the center at least three dollars (\$3) per student for fiscal year 2009-2010 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2008. Before notification of education service centers of the formula and components of the formula for distributing funds for education service centers, review and approval of the formula and components must be made by the budget agency.

**TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)**

Total Operating Expense	50,000
-------------------------	--------

The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-26-11-8 and IC 20-26-11-10.

**TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION**

Total Operating Expense	2,403,792
-------------------------	-----------

The foregoing appropriation shall be distributed by the department of education on a monthly basis and in approximately equal payments to special education cooperatives, area career and technical education schools, and other governmental entities that received state teachers' Social Security distributions for certified education personnel (excluding the certified education personnel funded through federal grants) during the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the units under the Indiana state teacher's retirement fund, the amount they received during the 2002-2003 state fiscal year for teachers' retirement. If the total amount to be distributed is greater than the total appropriation, the department of education shall reduce each entity's distribution proportionately.

**DISTRIBUTION FOR TUITION SUPPORT**

**General Fund**

Total Operating Expense	6,423,200,000
-------------------------	---------------

**State Tuition Reserve Fund (IC 4-12-1-15.7)**

Total Operating Expense	100,000,000
-------------------------	-------------

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, career and technical education programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2009 session of the general assembly.

If the above appropriations for distribution for tuition support are more than are required under this SECTION, any excess shall revert to the general fund.

The above appropriations for distribution for tuition support shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and that the aggregate of the

payments in each calendar year must equal the amount required under the statute enacted for the purpose referred to above.

Virtual charter school" means any entity that provides for the delivery of more than fifty percent (50%) of instruction to students through virtual distance learning, online technologies, or computer based instruction. A virtual charter school is not entitled to any funding from the state of Indiana during the biennium and is not entitled to a distribution of property taxes. This paragraph expires June 30, 2010.

**NEW FACILITY ADJUSTMENT DISTRIBUTIONS (IC 20-43-11.5)**

Other Operating Expense	10,000,000
-------------------------	------------

**DISTRIBUTION FOR SUMMER SCHOOL**

Other Operating Expense	18,360,000
-------------------------	------------

It is the intent of the 2009 general assembly that the above appropriations for summer school shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

**EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT**

Total Operating Expense	4,720,000
-------------------------	-----------

The above appropriation for the early intervention program may be used for grants to local school corporations for grant proposals for early intervention programs, including reading recovery and the Waterford method.

The foregoing appropriation may be used by the department for the reading diagnostic assessment and subsequent remedial programs or activities. The reading diagnostic assessment program, as approved by the board, is to be made available on a voluntary basis to all Indiana public and nonpublic school first and second grade students upon the approval of the governing body of school corporations. The board shall determine how the funds will be distributed for the assessment and related remediation. The department or its representative shall provide progress reports on the assessment as requested by the board and the education roundtable.

**ADULT EDUCATION DISTRIBUTION**

Total Operating Expense	14,000,000
-------------------------	------------

It is the intent of the 2009 general assembly that the above appropriations for adult education are the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

**NATIONAL SCHOOL LUNCH PROGRAM**

Total Operating Expense	5,400,000
-------------------------	-----------

**MARION COUNTY DESEGREGATION COURT ORDER**

Total Operating Expense	18,200,000
-------------------------	------------

The foregoing appropriations for court ordered desegregation costs are made pursuant to order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

**TEXTBOOK REIMBURSEMENT**

<b>Total Operating Expense</b>	<b>45,000,000</b>
--------------------------------	-------------------

Before a school corporation or an accredited nonpublic school may receive a distribution under the textbook reimbursement program, the school corporation or accredited nonpublic school shall provide to the department the requirements established in IC 20-33-5-2. The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services administration, division of family resources, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

The foregoing appropriations for textbook reimbursement include the appropriation of the common school fund interest balance. The remainder of the above appropriations are provided from the state general fund.

**FULL-DAY KINDERGARTEN**

<b>Total Operating Expense</b>	<b>86,500,000</b>
--------------------------------	-------------------

The above appropriations for full day kindergarten are available to school corporations and charter schools that apply to the department of education for funding of full day kindergarten. The amount available to a school corporation or charter school equals the amount appropriated divided by the total number of eligible pupils (as defined in IC 20-43-1-11) enrolled in full day kindergarten in all participating school corporations and charter schools in the current year, and then multiplied by the total number of eligible pupils (as defined in IC 20-43-1-11) enrolled in full day kindergarten in the school corporation or charter school in the current year, as determined on the initial count. However, a school corporation or charter school may not receive more than \$1,132 dollars per student for full day kindergarten. A school corporation or charter school that is awarded a grant must provide to the department of education a financial report stating how the funds were spent. Any unspent funds at the end of the biennium must be returned to the state by the school corporation or charter school.

To provide full day kindergarten programs, a school corporation or charter school that determines there is inadequate space to offer a program in the school corporation's or charter school's existing facilities may offer the program in any suitable space located within the geographic boundaries of the school corporation or, in the case of a charter school, a location that is in the general vicinity of the charter school's existing facilities. A full day kindergarten program offered by a school corporation or charter school must meet the academic standards and other requirements of IC 20.

A school corporation or charter school that receives a grant must meet the academic standards and other requirements of IC 20.

In awarding grants from the above appropriations, the department of education may not refuse to make a grant to a school corporation or reduce the award that would otherwise be made to the school corporation because the school corporation used federal grants or loans, including Title I grants, to fund part or all of the school corporation's full day kindergarten program in a school year before the school year in which the grant will be given or because the school corporation intends to use federal grants or loans, including Title I grants, to fund part of the school corporation's full day kindergarten program in a school year in which the grant will be given.

The state board and department shall provide support to school corporations and charter schools in the development and implementation of child centered and learning focused programs using the following methods:

(1) Targeting professional development funds to provide teachers in kindergarten through grade 3 education in:

(A) scientifically proven methods of teaching reading;

(B) the use of data to guide instruction; and

(C) the use of age appropriate literacy and mathematics assessments.

(2) Making uniform, predictively valid, observational assessments that:

(A) provide frequent information concerning the student's progress to the student's teacher; and

(B) measure the student's progress in literacy;

available to teachers in kindergarten through grade 3. Teachers shall monitor students participating in a program, and the school corporation or charter school shall report the results of the assessments to the parents of a child completing an assessment and to the department.

(3) Undertaking a longitudinal study of students in programs in Indiana to determine the achievement levels of the students in kindergarten and later grades.

#### REMEDIATION

Other Operating Expense	41,000,000
-------------------------	------------

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for remediation, review and approval of the formula and components shall be made by the budget agency.

The above appropriation for remediation shall be used by school corporations to provide remediation programs for students who attend public and nonpublic schools. For purposes of tuition support, these students are not to be counted in the average daily membership.

#### GRADUATION EXAM REMEDIATION

Other Operating Expense	4,958,910
-------------------------	-----------

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for graduation exam remediation, review and

approval of the formula and components shall be made by the budget agency.

**SPECIAL EDUCATION PRESCHOOL**

<b>Total Operating Expense</b>	<b>38,400,000</b>
--------------------------------	-------------------

The above appropriation for Special Education Preschool shall be distributed to guarantee a minimum of \$2,750 per child enrolled in special education preschool programs from state sources for this purpose. It is the intent of the 2009 general assembly that the above appropriation for Special Education Preschool is the total allowable expenditure for the program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

**HEARING AID FUND (IC 20-20-37)**

<b>Other Operating Expense</b>	<b>6,000,000</b>
--------------------------------	------------------

Before August 1, 2009, the budget agency shall transfer six million dollars (\$6,000,000) from the state general fund to the hearing aid fund (IC 20-20-37) for the purposes of the hearing aid fund.

**NON-ENGLISH SPEAKING PROGRAM**

<b>Other Operating Expense</b>	<b>8,000,000</b>
--------------------------------	------------------

The above appropriation for the Non-English Speaking Program is for pupils who have a primary language other than English and limited English proficiency, as determined by using a standard proficiency examination that has been approved by the department of education.

The grant amount is two hundred dollars (\$200) per pupil. It is the intent of the 2009 general assembly that the above appropriation for the Non-English Speaking Program is the total allowable state expenditure for the program. If the expected distributions are anticipated to exceed the total appropriations for the state fiscal year, the department of education shall reduce each school corporation's distribution proportionately.

**GIFTED AND TALENTED EDUCATION PROGRAM**

<b>Personal Services</b>	<b>211,348</b>
--------------------------	----------------

<b>Other Operating Expense</b>	<b>12,788,801</b>
--------------------------------	-------------------

**DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION**

<b>Total Operating Expense</b>	<b>250,000</b>
--------------------------------	----------------

The distribution for adult career and technical education programs shall be made in accordance with the state plan for vocational education.

**PRIMETIME**

<b>Personal Services</b>	<b>172,566</b>
--------------------------	----------------

<b>Other Operating Expense</b>	<b>34,467</b>
--------------------------------	---------------

**DRUG FREE SCHOOLS**

1	Personal Services	52,361
2	Other Operating Expense	20,093
3	<b>PROFESSIONAL DEVELOPMENT DISTRIBUTION</b>	
4	Other Operating Expense	13,812,500

5

6 The foregoing appropriation for professional development distributions includes schools  
7 defined under IC 20-31-2-8.

8

9	<b>ALTERNATIVE SCHOOLS</b>	
10	Total Operating Expense	6,380,319

11	<b>EDUCATIONAL TECHNOLOGY PROGRAM AND FUND</b>	
12	<b>(INCLUDING 4R'S TECHNOLOGY GRANT PROGRAM)</b>	
13		
14	Total Operating Expense	2,109,036

15

16 Of the foregoing appropriations for Educational Technology Program and Fund, \$825,000  
17 shall be allocated to the buddy system in the state fiscal year. The remaining amounts  
18 shall be allocated for technology programs and resources for kindergarten through  
19 twelfth grade, and the operation of the office of the special assistant to the superintendent  
20 of public instruction for technology.

21

22	<b>TECHNOLOGY PLAN GRANT PROGRAM (IC 20-20-13)</b>	
23	Total Operating Expense	2,500,000

24

25 Notwithstanding IC 20-20-13-17, the department of education may adjust the grant  
26 amount to reflect available funding.

27

28	<b>PROFESSIONAL STANDARDS DIVISION</b>	
29	General Fund	
30	Personal Services	1,054,199
31	Other Operating Expense	1,762,303
32	Professional Standards Board Licensing Fund	
33	Total Operating Expense	1,500,000
34	Augmentation allowed.	

35

36 The above appropriations for the Professional Standards Division do not include funds  
37 to pay stipends for mentor teachers.

38

39	<b>SCHOOL BUSINESS OFFICIALS ACADEMY</b>	
40	Total Operating Expense	150,000

41

42 The department shall make the foregoing appropriation for School Business Officials  
43 Academy available to the Indiana Association of School Business Officials to assist  
44 in the creation of an academy designed to strengthen the management and leadership  
45 skills of practicing Indiana school business officials.

46

47	<b>LEVY REPLACEMENT GRANT (IC 20-20-36)</b>	
48	Other Operating Expense	81,000,000

1       **B. INTERNET BACKBONE**

2  
3       **FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)**  
4               **Total Operating Expense**   **5,000,000**

5  
6       **The sums herein appropriated to the Indiana Higher Education Telecommunications System**  
7       **(IHETS) are in addition to all income of IHETS from all permanent fees and endowments**  
8       **and from all land grants, fees, earnings, and receipts, including gifts, grants,**  
9       **bequests, and devises, and receipts from any miscellaneous sales from whatever source**  
10       **derived.**

11  
12       **All such income and all such fees, earnings, and receipts on hand June 30, 2009,**  
13       **and all such income and fees, earnings, and receipts accruing thereafter are hereby**  
14       **appropriated to the directors of IHETS and may be expended for any necessary expenses**  
15       **of IHETS. However, such income, fees, earnings, and receipts may be used for land**  
16       **and structures only if approved by the governor and the budget agency.**

17  
18       **The foregoing appropriations to IHETS include the employers' share of Social Security**  
19       **payments for IHETS employees under the public employees' retirement fund, or the**  
20       **Indiana state teachers' retirement fund. The funds appropriated also include funding**  
21       **for the employers' share of payments to the public employees' retirement fund and**  
22       **to the Indiana state teachers' retirement fund at a rate to be established by the**  
23       **retirement funds for both fiscal years for IHETS employees covered by these retirement**  
24       **plans.**

25  
26       **The directors of IHETS are hereby authorized to accept federal grants, subject to**  
27       **IC 4-12-1.**

28       SECTION 3. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED TO  
29       READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The officers of political subdivisions  
30       shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the  
31       ensuing budget year as follows:

32               (1) The board of school trustees of a school corporation that is located in a city having a population  
33               of more than one hundred five thousand (105,000) but less than one hundred twenty thousand  
34               (120,000), not later than:

35                       (A) the time required in section 5.6(b) of this chapter; or

36                       (B) ~~for budget years beginning before July 1, 2010,~~ September 30 if a resolution adopted under  
37                       section 5.6(d) of this chapter is in effect.

38               (2) The proper officers of all other political subdivisions, not later than September 30.

39               ~~(3) The governing body of each school corporation (including a school corporation described in~~  
40               ~~subdivision (1)); not later than the time required under section 5.6(b) of this chapter for budget years~~  
41               ~~beginning after June 30, 2010.~~

42       Except in a consolidated city and county and in a second class city, the public hearing required by section  
43       3 of this chapter must be completed at least ten (10) days before the proper officers of the political  
44       subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second  
45       class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after  
46       introduction of the budget.

47       (b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision  
48       fixed under subsection (a) by filing an objection petition with the proper officers of the political  
49       subdivision not more than seven (7) days after the hearing. The objection petition must specifically

1 identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

2 (c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with  
3 its budget a finding concerning the objections in the petition and any testimony presented at the adoption  
4 hearing.

5 (d) This subsection does not apply to a school corporation. Each year at least two (2) days before the  
6 first meeting after September 20 of the county board of tax adjustment held under IC 6-1.1-29-4, a  
7 political subdivision shall file with the county auditor:

8 (1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

9 (2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

10 (3) two (2) copies of any findings adopted under subsection (c).

11 Each year the county auditor shall present these items to the county board of tax adjustment at the board's  
12 first meeting under IC 6-1.1-29-4 after September 20 of that year.

13 (e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall,  
14 notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax  
15 adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days  
16 after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

17 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the  
18 ensuing budget year as required under this section, the most recent annual appropriations and annual tax  
19 levy are continued for the ensuing budget year.

20 SECTION 4. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO  
21 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.6. (a) ~~For budget years beginning before July~~  
22 ~~1, 2010;~~ This section applies only to a school corporation that is located in a city having a population of  
23 more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).  
24 ~~For budget years beginning after June 30, 2010; this section applies to all school corporations. Beginning~~  
25 ~~in 2010; each school corporation shall adopt a budget under this section that applies from July 1 of the~~  
26 ~~year through June 30 of the following year. In the initial budget adopted by a school corporation in 2010~~  
27 ~~under this section; the first six (6) months of that initial budget must be consistent with the last six (6)~~  
28 ~~months of the budget adopted by the school corporation for calendar year 2010.~~

29 (b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget  
30 for the school corporation for the ensuing budget year, with notice given by the same officers. However,  
31 if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the  
32 ensuing budget year before September 30.

33 (c) Each year, at least two (2) days before the first meeting after September 20 of the county board of  
34 tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

35 (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget  
36 year;

37 (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

38 (3) any written notification from the department of local government finance under section 16(i) of  
39 this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the  
40 school corporation for the ensuing budget year.

41 Each year the county auditor shall present these items to the county board of tax adjustment at the board's  
42 first meeting. ~~after September 20 of that year.~~

43 (d) ~~This subsection does not apply to budget years after June 30, 2010.~~ The governing body of the  
44 school corporation may adopt a resolution to cease using a school year budget year and return to using  
45 a calendar year budget year. A resolution adopted under this subsection must be adopted after January  
46 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of  
47 a resolution under this subsection begins on January 1 of the year following the year the resolution is  
48 adopted. The first six (6) months of the initial calendar year budget for the school corporation must be  
49 consistent with the last six (6) months of the final school year budget fixed by the department of local  
50 government finance before the adoption of a resolution under this subsection. ~~Notwithstanding any~~

1 resolution adopted under this subsection, beginning in 2010, each school corporation shall adopt a budget  
2 under this section that applies from July 1 of the year through June 30 of the following year.

3 (e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted  
4 by the governing body. If the governing body of the school corporation rescinds a resolution adopted  
5 under subsection (d) and returns to a school year budget year, the school corporation's initial school year  
6 budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of  
7 the following year. The first six (6) months of the initial school year budget for the school corporation  
8 must be consistent with the last six (6) months of the last calendar year budget fixed by the department  
9 of local government finance before the adoption of a rescinding resolution under this subsection.

10 SECTION 5. IC 20-19-3-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ  
11 AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 9. The department shall provide grants to an**  
12 **academy that is established to strengthen the leadership and management skills of practicing**  
13 **Indiana school business officials to achieve excellence in school business management practices.**

14 SECTION 6. IC 20-24-8-5, AS AMENDED BY P.L.2-2006, SECTION 111, IS AMENDED TO  
15 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. The following statutes and rules and  
16 guidelines adopted under the following statutes apply to a charter school:

17 (1) IC 5-11-1-9 (required audits by the state board of accounts).

18 **(2) IC 20-30-2 (minimum number of student instructional days and hours per instructional**  
19 **day).**

20 ~~(2)~~ **(3)** IC 20-39-1-1 (unified accounting system).

21 ~~(3)~~ **(4)** IC 20-35 (special education).

22 ~~(4)~~ **(5)** IC 20-26-5-10 and IC 20-28-5-9 (criminal history).

23 ~~(5)~~ **(6)** IC 20-26-5-6 (subject to laws requiring regulation by state agencies).

24 ~~(6)~~ **(7)** IC 20-28-7-14 (void teacher contract when two (2) contracts are signed).

25 ~~(7)~~ **(8)** IC 20-28-10-12 (nondiscrimination for teacher marital status).

26 ~~(8)~~ **(9)** IC 20-28-10-14 (teacher freedom of association).

27 ~~(9)~~ **(10)** IC 20-28-10-17 (school counselor immunity).

28 ~~(10)~~ **(11)** For conversion charter schools only, IC 20-28-6, IC 20-28-7, IC 20-28-8, IC 20-28-9, and  
29 IC 20-28-10.

30 ~~(11)~~ **(12)** IC 20-33-2 (compulsory school attendance).

31 ~~(12)~~ **(13)** IC 20-33-3 (limitations on employment of children).

32 ~~(13)~~ **(14)** IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial  
33 review).

34 ~~(14)~~ **(15)** IC 20-33-8-16 (firearms and deadly weapons).

35 ~~(15)~~ **(16)** IC 20-34-3 (health and safety measures).

36 ~~(16)~~ **(17)** IC 20-33-9 (reporting of student violations of law).

37 ~~(17)~~ **(18)** IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).

38 ~~(18)~~ **(19)** IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, IC 20-32-8, or any other statute, rule, or  
39 guideline related to standardized testing (assessment programs, including remediation under the  
40 assessment programs).

41 ~~(19)~~ **(20)** IC 20-33-7 (parental access to education records).

42 ~~(20)~~ **(21)** IC 20-31 (accountability for school performance and improvement).

43 SECTION 7. IC 20-40-8-19, AS AMENDED BY P.L.146-2008, SECTION 528, IS AMENDED TO  
44 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. **(a) This section applies to calendar**  
45 **year 2010.**

46 **(b)** Money in the fund may be used to pay for up to one hundred percent (100%) of the following costs  
47 of a school corporation:

48 (1) Utility services.

49 (2) Property or casualty insurance.

50 (3) Both utility services and property or casualty insurance.

1 A school corporation's expenditures under this section may not exceed ~~in 2008 and in 2009~~ three and  
2 five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

3 SECTION 8. IC 20-43-1-1, AS AMENDED BY P.L.234-2007, SECTION 232, IS AMENDED TO  
4 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This article expires January 1, ~~2010~~ **2011**.

5 SECTION 9. IC 20-43-1-8, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ  
6 AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. "Basic tuition support" means the part of a  
7 school corporation's state tuition support for basic programs determined under ~~IC 20-43-6-5~~.  
8 **IC 20-43-6-3**.

9 SECTION 10. IC 20-43-1-23, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ  
10 AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 23. "School corporation" means the following:

11 (1) Any local public school corporation established under Indiana law.

12 (2) Except as otherwise indicated in this article **and subject to IC 20-43-2-8**, a charter school.

13 SECTION 11. IC 20-43-1-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
14 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 31. "Unadjusted remaining foundation**  
15 **revenue difference" refers to the greater of zero dollars (\$0) or the result of a school corporation's**  
16 **previous year revenue minus the amount determined for the school corporation under**  
17 **IC 20-43-5-7(1) for the current calendar year.**

18 SECTION 12. IC 20-43-2-2, AS AMENDED BY P.L.146-2008, SECTION 482, IS AMENDED TO  
19 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. The maximum state distribution for  
20 a calendar year for all school corporations for the purposes described in section 3 of this chapter is:

21 ~~(1) three billion eight hundred twelve million five hundred thousand dollars (\$3,812,500,000) in~~  
22 ~~2007;~~

23 ~~(2) three billion nine hundred sixty million nine hundred thousand dollars (\$3,960,900,000) in 2008;~~  
24 ~~and~~

25 ~~(3) (1) six billion five hundred nine million dollars (\$6,509,000,000) in 2009; and~~

26 ~~(2) six billion five hundred eighty-seven million seven hundred thousand dollars~~  
27 ~~(\$6,587,700,000) in 2010.~~

28 SECTION 13. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ  
29 AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 8. The maximum amount of state tuition**  
30 **support that may be distributed in any calendar year to a charter school is the lesser of the**  
31 **following:**

32 **(1) The greater of zero dollars (\$0) or the amount to which the charter school was entitled to**  
33 **receive under this article (as effective January 1, 2009) for calendar year 2009.**

34 **(2) The amount to which the charter school was entitled to receive under this chapter for the**  
35 **calendar year of the distribution.**

36 SECTION 14. IC 20-43-3-4, AS AMENDED BY P.L.146-2008, SECTION 485, IS AMENDED TO  
37 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) A school corporation's previous  
38 year revenue equals the amount determined under STEP TWO of the following formula:

39 STEP ONE: Determine the ~~sum of the following:~~

40 ~~(A) The school corporation's basic tuition support for the year that precedes the current year.~~

41 ~~(B) the school corporation's maximum permissible tuition support levy for calendar year 2008.~~

42 ~~(C) the school corporation's excise tax revenue for calendar year 2007.~~

43 STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school  
44 corporation's state tuition support under any combination of subsection (b), subsection (c),  
45 IC 20-10.1-2-1 (before its repeal), or IC 20-30-2-4.

46 (b) A school corporation's previous year revenue must be reduced if:

47 (1) the school corporation's state tuition support for special education or career and technical  
48 education is reduced as a result of a complaint being filed with the department after December 31,  
49 1988, because the school program overstated the number of children enrolled in special education  
50 programs or career and technical education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special education and career and technical education because of the overstatement.

~~(c) This section applies only to 2009. A school corporation's previous year revenue must be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-24-11. The amount of the reduction equals the product of:~~

~~(1) the sum of the amounts distributed to the conversion charter school under IC 20-24-7-3(c) and IC 20-24-7-3(d) (as effective December 31, 2008); multiplied by~~

~~(2) two (2);~~

SECTION 15. IC 20-43-4-7, AS AMENDED BY P.L.234-2007, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) This subsection does not apply to a charter school. When calculating adjusted ADM for ~~2008~~ **2010** distributions, this subsection, as effective after December 31, ~~2007~~, **2009**, shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for ~~2007~~ **2009** distributions. For purposes of this article, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's ADM for the year preceding the current year by four (4) years multiplied by two-tenths (0.2).

(B) The school corporation's ADM for the year preceding the current year by three (3) years multiplied by two-tenths (0.2).

(C) The school corporation's ADM for the year preceding the current year by two (2) years multiplied by two-tenths (0.2).

(D) The school corporation's ADM for the year preceding the current year by one (1) year multiplied by two-tenths (0.2).

(E) The school corporation's ADM for the current year multiplied by two-tenths (0.2).

STEP TWO: ~~Determine the school corporation's ADM for the current year. This STEP applies only if the school corporation's ADM for the year preceding the current year is less than the school corporation's current ADM. Determine the sum of:~~

~~(A) the school corporation's ADM for the year preceding the current year by one (1) year; and~~

~~(B) eight-tenths (0.8) multiplied by the result of the school corporation's ADM for the current year minus the school corporation's ADM for the year preceding the current year by one (1) year.~~

STEP THREE: Determine the greater of the following:

(A) The STEP ONE result.

(B) The STEP TWO result.

(b) A charter school's adjusted ADM for purposes of this article is the charter school's current ADM.

SECTION 16. IC 20-43-5-3, AS AMENDED BY P.L.3-2008, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. A school corporation's complexity index is determined under the following formula:

STEP ONE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were eligible for free or reduced price lunches in the school year ending in the later of ~~2007~~ **2009** or the first year of operation of the school corporation.

(2) Determine the quotient of:

~~(A) in 2008:~~

~~(i) two thousand two hundred fifty dollars (\$2,250); divided by~~

~~(ii) four thousand seven hundred ninety dollars (\$4,790); and~~

1           ~~(B)~~ (A) in 2009:

2           (i) two thousand four hundred dollars (\$2,400); divided by

3           (ii) four thousand eight hundred twenty-five dollars (\$4,825); **and**

4           **(B) in 2010:**

5           **(i) two thousand two hundred ninety-two dollars (\$2,292); divided by**

6           **(ii) four thousand six hundred eight dollars (\$4,608).**

7           (3) Determine the product of:

8           (A) the subdivision (1) amount; multiplied by

9           (B) the subdivision (2) amount.

10          STEP TWO: Determine the result of one (1) plus the STEP ONE result.

11          STEP THREE: This STEP applies if the STEP TWO result is equal to or greater than at least one

12          and twenty-five hundredths (1.25). Determine the result of the following:

13          (1) Subtract one and twenty-five hundredths (1.25) from the STEP TWO result.

14          (2) Determine the result of:

15          (A) the STEP TWO result; plus

16          (B) the subdivision (1) result.

17          The data to be used in making the calculations under STEP ONE must be the data collected in the annual

18          pupil enrollment count by the department.

19          SECTION 17. IC 20-43-5-4, AS AMENDED BY P.L.234-2007, SECTION 244, IS AMENDED TO

20          READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. A school corporation's foundation

21          amount for a calendar year is the result determined under STEP TWO of the following formula:

22          STEP ONE: Determine:

23          ~~(A) in 2008; four thousand seven hundred ninety dollars (\$4,790); or~~

24          ~~(B)~~ (A) in 2009, four thousand eight hundred twenty-five dollars (\$4,825); **and**

25          **(B) in 2010, four thousand six hundred eight dollars (\$4,608).**

26          STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

27          SECTION 18. IC 20-43-5-6, AS AMENDED BY P.L.234-2007, SECTION 245, IS AMENDED TO

28          READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's transition to

29          foundation amount for a calendar year is equal to the result determined under STEP THREE of the

30          following formula:

31          STEP ONE: Determine the difference of:

32          (A) the school corporation's foundation amount; minus

33          (B) the school corporation's previous year revenue foundation amount.

34          STEP TWO: Divide the STEP ONE result by:

35          ~~(A) four (4) in 2008; or~~

36          ~~(B)~~ (A) three (3) in 2009; **and**

37          **(B) two (2) in 2010.**

38          STEP THREE: A school corporation's STEP THREE amount is the following:

39          (A) For a charter school located outside Marion County that has previous year revenue that is not

40          greater than zero (0), the charter school's STEP THREE amount is the quotient of:

41          (i) the school corporation's transition to foundation revenue for the calendar year where the

42          charter school is located; divided by

43          (ii) the school corporation's current ADM.

44          (B) For a charter school located in Marion County that has previous year revenue that is not

45          greater than zero (0), the charter school's STEP THREE amount is the weighted average of the

46          transition to foundation revenue for the school corporations where the students counted in the

47          current ADM of the charter school have legal settlement, as determined under item (iv) of the

48          following formula:

49          (i) Determine the transition to foundation revenue for each school corporation where a student

50          counted in the current ADM of the charter school has legal settlement.

1 (ii) For each school corporation identified in item (i), divide the item (i) amount by the school  
2 corporation's current ADM.  
3 (iii) For each school corporation identified in item (i), multiply the item (ii) amount by the  
4 number of students counted in the current ADM of the charter school that have legal settlement  
5 in the particular school corporation.  
6 (iv) Determine the sum of the item (iii) amounts for the charter school.  
7 (C) The STEP THREE amount for a school corporation that is not a charter school described in  
8 clause (A) or (B) is the following:  
9 (i) The school corporation's foundation amount for the calendar year, if the STEP ONE amount  
10 is at least negative fifty dollars (-\$50) and not more than one hundred dollars (\$100).  
11 (ii) For 2009, the school corporation's foundation amount for the calendar year, if the  
12 foundation amount in 2008 equaled the school corporation's transition to foundation revenue  
13 per adjusted ADM in 2008.  
14 (iii) The sum of the school corporation's previous year revenue foundation amount and the  
15 greater of the school corporation's STEP TWO amount or one hundred dollars (\$100), if the  
16 school corporation's STEP ONE amount is greater than one hundred dollars (\$100).  
17 (iv) The difference determined by subtracting fifty dollars (\$50) from the school corporation's  
18 previous year revenue foundation amount, if the school corporation's STEP ONE amount is less  
19 than negative fifty dollars (-\$50).  
20 SECTION 19. IC 20-43-5-7, AS AMENDED BY P.L.3-2008, SECTION 126, IS AMENDED TO  
21 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. A school corporation's transition to  
22 foundation revenue for a calendar year is equal to the sum of the following:  
23 (1) The product of:  
24 (A) the school corporation's transition to foundation amount for the calendar year; multiplied by  
25 (B) the school corporation's:  
26 (i) current ADM, if the current ADM for the school corporation is less than one hundred (100);  
27 and  
28 (ii) current adjusted ADM, if item (i) does not apply.  
29 (2) ~~Either:~~ **The following:**  
30 (A) **The lesser of the school corporation's unadjusted remaining foundation revenue**  
31 **difference or the** result of:  
32 (i) ~~one hundred dollars (\$100) for calendar year 2008 and~~ one hundred fifty dollars (\$150) for  
33 calendar year 2009 **and calendar year 2010**; multiplied by  
34 (ii) the school corporation's adjusted ADM;  
35 if the school corporation's current ADM is less than three thousand and six hundred (3,600) and  
36 the amount determined under subdivision (1) is less than the school corporation's previous year  
37 revenue.  
38 (B) **The lesser of the school corporation's unadjusted remaining foundation revenue**  
39 **difference or the** result of:  
40 (i) ~~one hundred dollars (\$100) for calendar year 2008 and~~ one hundred fifty dollars (\$150) for  
41 calendar year 2009 **and calendar year 2010**; multiplied by  
42 (ii) the school corporation's adjusted ADM;  
43 if clause (A) does not apply and the result of the amount under subdivision (1) is less than the  
44 result of the school corporation's previous year revenue multiplied by nine hundred sixty-five  
45 thousandths (0.965).  
46 (C) **The lesser of the school corporation's unadjusted remaining foundation revenue**  
47 **difference or the** school corporation's current adjusted ADM multiplied by the lesser of:  
48 (i) one hundred dollars (\$100); or  
49 (ii) the school corporation's STEP TWO amount under section 6 of this chapter;  
50 if clauses (A) and (B) do not apply, the amount under subdivision (1) is less than the school

- 1 corporation's previous year revenue, and the school corporation's result under STEP ONE of  
2 section 6 of this chapter is greater than zero (0). ~~or~~  
3 (D) Zero (0), if clauses (A), (B), and (C) do not apply.  
4 (3) This subdivision does not apply to a charter school. Either:  
5 (A) **the lesser of:**  
6 (i) three hundred dollars (\$300); **or**  
7 (ii) **one dollar (\$1) multiplied by the result of one thousand seven hundred (1,700) minus**  
8 **the school corporation's current ADM;**  
9 multiplied by the school corporation's current ADM, if the school corporation's current ADM is  
10 less than one thousand seven hundred (1,700) and the school corporation's complexity index is  
11 greater than one and two-tenths (1.2);  
12 (B) **the lesser of:**  
13 (i) one hundred dollars (\$100); **or**  
14 (ii) **one dollar (\$1) multiplied by the result of one thousand seven hundred (1,700) minus**  
15 **the school corporation's current ADM;**  
16 multiplied by the school corporation's current ADM, if the school corporation's current ADM is  
17 less than one thousand seven hundred (1,700) and the school corporation's complexity index is  
18 greater than one and one-tenth (1.1) and not greater than one and two-tenths (1.2); or  
19 (C) zero (0), if clauses (A) and (B) do not apply.

20 SECTION 20. IC 20-43-6-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ  
21 AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. Subject to the amount appropriated by the  
22 general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is entitled  
23 to receive in basic tuition support for a year is the amount determined in section ~~5 3~~ of this chapter.

24 SECTION 21. IC 20-43-6-3, AS AMENDED BY P.L.146-2008, SECTION 488, IS AMENDED TO  
25 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. (a) A school corporation's ~~total regular~~  
26 ~~program basic~~ tuition support for a calendar year is the amount determined under the applicable provision  
27 of this section.

28 (b) This subsection applies to a school corporation that has transition to foundation revenue per  
29 adjusted ADM for a calendar year that is not equal to the school corporation's foundation amount for the  
30 calendar year. The school corporation's total regular program tuition support for a calendar year is equal  
31 to the school corporation's transition to foundation revenue for the calendar year.

32 (c) This subsection applies to a school corporation that has transition to foundation revenue per  
33 adjusted ADM for a calendar year that is equal to the school corporation's foundation amount for the  
34 calendar year. The school corporation's total regular program tuition support for a calendar year is the sum  
35 of the following:

- 36 (1) The school corporation's foundation amount for the calendar year multiplied by the school  
37 corporation's adjusted ADM for the current year.  
38 (2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the  
39 ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2)  
40 years.

41 SECTION 22. IC 20-43-7-6, AS AMENDED BY P.L.234-2007, SECTION 252, IS AMENDED TO  
42 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's special  
43 education grant for a calendar year is equal to the sum of the following:

- 44 (1) The nonduplicated count of pupils in programs for severe disabilities multiplied by:  
45 ~~(A) in 2008, eight thousand three hundred dollars (\$8,300); and~~  
46 ~~(B) (A) in 2009, eight thousand three hundred fifty dollars (\$8,350); and~~  
47 **(B) in 2010, eight thousand three hundred fifty dollars (\$8,350).**  
48 (2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by:  
49 ~~(A) in 2008, two thousand two hundred fifty dollars (\$2,250); and~~  
50 ~~(B) (A) in 2009, two thousand two hundred sixty-five dollars (\$2,265); and~~

1           **(B) in 2010, two thousand two hundred sixty-five dollars (\$2,265).**  
2       (3) The duplicated count of pupils in programs for communication disorders multiplied by:  
3           ~~(A) in 2008, five hundred thirty-one dollars (\$531); and~~  
4           ~~(B) (A) in 2009, five hundred thirty-three dollars (\$533); and~~  
5           **(B) in 2010, five hundred thirty-three dollars (\$533).**  
6       (4) The cumulative count of pupils in homebound programs multiplied by:  
7           ~~(A) in 2008, five hundred thirty-one dollars (\$531); and~~  
8           ~~(B) (A) in 2009, five hundred thirty-three dollars (\$533); and~~  
9           **(B) in 2010, five hundred thirty-three dollars (\$533).**  
10       SECTION 23. IC 20-43-9-4, AS AMENDED BY P.L.234-2007, SECTION 253, IS AMENDED TO  
11       READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. For purposes of computation under  
12       this chapter, the following shall be used:  
13           (1) The staff cost amount for a school corporation:  
14               ~~(A) in 2008, is seventy-two thousand dollars (\$72,000); and~~  
15               ~~(B) (A) in 2009, is seventy-four thousand five hundred dollars (\$74,500); and~~  
16               **(B) in 2010, is seventy-four thousand five hundred dollars (\$74,500).**  
17           (2) The guaranteed primetime amount for a school corporation is the primetime allocation, before  
18           any penalty is assessed under this chapter, that the school corporation would have received under  
19           this chapter for the 1999 calendar year or the first year of participation in the program, whichever  
20           is later.  
21           (3) The following apply to determine whether amounts received under this chapter have been  
22           devoted to reducing class size in kindergarten through grade 3 as required by section 2 of this  
23           chapter:  
24               (A) Except as permitted under section 8 of this chapter, only a licensed teacher who is an actual  
25               classroom teacher in a regular instructional program is counted as a teacher.  
26               (B) If a school corporation is granted approval under section 8 of this chapter, the school  
27               corporation may include as one-third (1/3) of a teacher each classroom instructional aide who  
28               meets qualifications and performs duties prescribed by the state board.  
29       SECTION 24. IC 20-43-9-6, AS AMENDED BY P.L.234-2007, SECTION 254, IS AMENDED TO  
30       READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's primetime  
31       distribution for a calendar year under this chapter is the amount determined by the following formula:  
32       STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as  
33       follows:  
34           (A) If the school corporation's complexity index is less than one and one-tenth (1.1), the school  
35           corporation's target pupil/teacher ratio is eighteen to one (18:1).  
36           (B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than  
37           one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen (15) plus  
38           the result determined in item (iii) to one (1):  
39               (i) Determine the result of one and two-tenths (1.2) minus the school corporation's complexity  
40               index.  
41               (ii) Determine the item (i) result divided by one-tenth (0.1).  
42               (iii) Determine the item (ii) result multiplied by three (3).  
43           (C) If the school corporation's complexity index is at least one and two-tenths (1.2), the school  
44           corporation's target pupil/teacher ratio is fifteen to one (15:1).  
45       STEP TWO: Determine the result of:  
46           (A) the ADM of the school corporation in kindergarten through grade 3 for the current school  
47           year; divided by  
48           (B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.  
49       STEP THREE: Determine the result of:  
50           (A) the ~~total regular program~~ **basic** tuition support for the year multiplied by seventy-five

1 hundredths (0.75); divided by  
 2 (B) the school corporation's total ADM.  
 3 STEP FOUR: Determine the result of:  
 4 (A) the STEP THREE result; multiplied by  
 5 (B) the ADM of the school corporation in kindergarten through grade 3 for the current school  
 6 year.  
 7 STEP FIVE: Determine the result of:  
 8 (A) the STEP FOUR result; divided by  
 9 (B) the staff cost amount.  
 10 STEP SIX: Determine the greater of zero (0) or the result of:  
 11 (A) the STEP TWO amount; minus  
 12 (B) the STEP FIVE amount.  
 13 STEP SEVEN: Determine the result of:  
 14 (A) the STEP SIX amount; multiplied by  
 15 (B) the staff cost amount.  
 16 STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's  
 17 guaranteed primetime amount.  
 18 STEP NINE: A school corporation's amount under this STEP is the following:  
 19 (A) If the amount the school corporation received under this chapter in the previous calendar year  
 20 is greater than zero (0), the amount under this STEP is the lesser of:  
 21 (i) the STEP EIGHT amount; or  
 22 (ii) the amount the school corporation received under this chapter for the previous calendar  
 23 year multiplied by one hundred seven and one-half percent (107.5%).  
 24 (B) If the amount the school corporation received under this chapter in the previous calendar year  
 25 is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.  
 26 SECTION 25. IC 20-43-11.5-1, AS ADDED BY P.L.146-2008, SECTION 490, IS AMENDED TO  
 27 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A school corporation may appeal to the  
 28 department of local government finance under IC 6-1.1-19 for a new facility adjustment to increase the  
 29 school corporation's tuition support distribution for the following year. ~~by the amount described in section~~  
 30 ~~2 of this chapter.~~  
 31 (b) Upon the demonstration by the school corporation to the department of local government finance  
 32 that an adjustment is necessary to pay increased costs to open:  
 33 (1) a new school facility; or  
 34 (2) an existing facility that has not been used for at least three (3) years and that is being reopened  
 35 to provide additional classroom space;  
 36 the department of local government finance may grant the appeal. If the department of local government  
 37 finance grants an appeal, it shall determine the amount of the new facility adjustment to be distributed  
 38 to the school corporation under this chapter. In determining the amount of a new facility adjustment, the  
 39 department of local government finance shall consider the extent to which a part of tuition support  
 40 distributions offsets any increased costs described in subdivision (1) or (2).  
 41 SECTION 26. IC 20-43-11.5-2, AS ADDED BY P.L.146-2008, SECTION 490, IS AMENDED TO  
 42 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) If a school corporation's appeal  
 43 under this chapter is granted, the department shall, subject to amounts appropriated, distribute to the  
 44 school corporation the amount of the new facility adjustment approved by the department. ~~of local~~  
 45 ~~government finance.~~  
 46 (b) A new facility adjustment is in addition to the amount of the state tuition support distribution to  
 47 which the school corporation is **otherwise** entitled under this article.  
 48 SECTION 27. IC 20-46-5-7, AS AMENDED BY P.L.146-2008, SECTION 505, IS AMENDED TO  
 49 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) ~~Except as provided in subsection (b);~~  
 50 This section applies only to a school corporation located in South Bend.

1       ~~(b) After December 31, 2009, this section applies to all school corporations.~~  
2       ~~(c) This subsection expires January 1, 2010. However,~~ this section does not apply to the school  
3 corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school  
4 corporation is in effect.  
5       ~~(d) (b)~~ Before the governing body of the school corporation may collect property taxes for the fund  
6 in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the  
7 immediately preceding year:  
8       (1) conduct a public hearing on; and  
9       (2) pass a resolution to adopt;  
10 a plan.  
11       SECTION 28. IC 20-46-6-9, AS AMENDED BY P.L.146-2008, SECTION 508, IS AMENDED TO  
12 READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) ~~Except as provided in subsection (b),~~  
13 This section applies only to a school corporation that is located in South Bend.  
14       ~~(b) After December 31, 2009, this section applies to all school corporations.~~  
15       ~~(c) This subsection expires January 1, 2010. However,~~ this section does not apply to the school  
16 corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school  
17 corporation is in effect.  
18       ~~(d) (b)~~ Before the governing body of the school corporation may collect property taxes for a fund in  
19 a particular year, the governing body must:  
20       (1) after January 1; and  
21       (2) before February 2;  
22 of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a  
23 resolution to adopt the proposed or amended plan.  
24       SECTION 29. [EFFECTIVE JULY 1, 2009] P.L.146-2008, SECTION 857 IS REPEALED.  
25       SECTION 30. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2010]:  
26 IC 20-43-1-27; IC 20-43-6-5; IC 20-45-1-2; IC 20-45-1-6; IC 20-45-1-12; IC 20-45-1-21.3;  
27 IC 20-45-1-21.5; IC 20-45-1-21.7.  
      (Reference is to HB 1723 as introduced.)

**and when so amended that said bill do pass.**

---

Representative Crawford